Introduction to Economics

Economics is a social science that studies how individuals, businesses, and governments make

choices about allocating scarce resources to satisfy unlimited wants. It helps us understand daily

decisions, market behavior, and national economic issues.

Branches of Economics

1. Microeconomics: Deals with individual units such as consumers, firms, demand, supply, and

price determination.

2. Macroeconomics: Studies the economy as a whole, including national income, inflation,

unemployment, economic growth, and government policies.

Basic Economic Problems

Every economy faces three basic problems due to scarcity:

- What to produce?
- How to produce?
- For whom to produce?

Importance of Economics

Economics helps in understanding market trends, making business decisions, framing government

policies, and improving overall living standards